

## **G - Finance and Administration Cabinet**

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## **G - Finance and Administration Cabinet**

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## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## G - Finance and Administration Cabinet

## Operating Budget

## Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	6,604,900	6,604,900		15,691,500	15,691,500		15,692,900	15,692,900	
General Fund	389,987,800	389,987,800		555,219,300	558,219,300	3,000,000	551,559,600	553,359,600	1,800,000
Restricted Funds	150,804,400	150,804,400		154,562,900	154,562,900		157,949,600	157,949,600	
Federal Funds	1,775,000	1,775,000		1,400,000	1,400,000		1,400,000	1,400,000	
Road Fund	2,400,000	2,400,000		2,725,000	2,725,000		2,725,000	2,725,000	
<b>Regular Total Funds</b>	<b>551,572,100</b>	<b>551,572,100</b>		<b>729,598,700</b>	<b>732,598,700</b>	<b>3,000,000</b>	<b>729,327,100</b>	<b>731,127,100</b>	<b>1,800,000</b>
Use of Continuing	9,017,500	9,017,500							
<b>TOTAL FUNDS</b>	<b>560,589,600</b>	<b>560,589,600</b>		<b>729,598,700</b>	<b>732,598,700</b>	<b>3,000,000</b>	<b>729,327,100</b>	<b>731,127,100</b>	<b>1,800,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	173,795,600	173,795,600		166,975,900	170,975,900	4,000,000	171,160,100	173,960,100	2,800,000
Operating Expenses	116,021,000	116,021,000		121,424,700	120,424,700	(1,000,000)	124,534,200	123,534,200	(1,000,000)
Grants, Loans, Benefits	5,325,000	5,325,000		2,425,000	2,425,000		2,425,000	2,425,000	
Debt Service	249,560,200	249,560,200		427,612,500	427,612,500		420,513,000	420,513,000	
Capital Outlay	9,913,800	9,913,800		4,460,600	4,460,600		4,460,600	4,460,600	
Construction	5,974,000	5,974,000		6,700,000	6,700,000		6,234,200	6,234,200	
<b>TOTAL EXPENDITURES</b>	<b>560,589,600</b>	<b>560,589,600</b>		<b>729,598,700</b>	<b>732,598,700</b>	<b>3,000,000</b>	<b>729,327,100</b>	<b>731,127,100</b>	<b>1,800,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	6,604,900	6,604,900		15,691,500	15,691,500		15,692,900	15,692,900	
General Fund	389,987,800	389,987,800		549,586,900	549,586,900		545,524,600	545,524,600	
Restricted Funds	150,804,400	150,804,400		151,949,400	151,949,400		154,382,800	154,382,800	
Federal Funds	1,775,000	1,775,000		1,400,000	1,400,000		1,400,000	1,400,000	
Road Fund	2,400,000	2,400,000		2,725,000	2,725,000		2,725,000	2,725,000	
<b>Regular Total Funds</b>	<b>551,572,100</b>	<b>551,572,100</b>		<b>721,352,800</b>	<b>721,352,800</b>		<b>719,725,300</b>	<b>719,725,300</b>	
Use of Continuing	9,017,500	9,017,500							
<b>TOTAL BASE LEVEL</b>	<b>560,589,600</b>	<b>560,589,600</b>		<b>721,352,800</b>	<b>721,352,800</b>		<b>719,725,300</b>	<b>719,725,300</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund				5,632,400	8,632,400	3,000,000	6,035,000	7,835,000	1,800,000
Restricted Funds				2,613,500	2,613,500		3,566,800	3,566,800	
<b>TOTAL ADDITIONAL</b>				<b>8,245,900</b>	<b>11,245,900</b>	<b>3,000,000</b>	<b>9,601,800</b>	<b>11,401,800</b>	<b>1,800,000</b>

## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## G - Finance and Administration Cabinet

## Capital Budget

## Summary Totals

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				6,005,000	6,005,000		4,400,000	4,400,000	
Bond Funds				26,000,000	26,000,000				
Capital Construction Surplus				3,000,000	3,000,000				
Other Funds				19,600,000	19,600,000				
<b>TOTAL CAPITAL</b>				<b>54,605,000</b>	<b>54,605,000</b>		<b>4,400,000</b>	<b>4,400,000</b>	

## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## G - Finance and Administration Cabinet

## Operating Budget

## General Administration

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	10,572,800	10,572,800		9,309,200	8,309,200	(1,000,000)	9,446,500	8,446,500	(1,000,000)
Restricted Funds	33,206,000	33,206,000		31,617,300	31,617,300		33,843,300	33,843,300	
Road Fund	400,000	400,000		400,000	400,000		400,000	400,000	
<b>Regular Total Funds</b>	<b>44,178,800</b>	<b>44,178,800</b>		<b>41,326,500</b>	<b>40,326,500</b>	<b>(1,000,000)</b>	<b>43,689,800</b>	<b>42,689,800</b>	<b>(1,000,000)</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>44,178,800</b>	<b>44,178,800</b>		<b>41,326,500</b>	<b>40,326,500</b>	<b>(1,000,000)</b>	<b>43,689,800</b>	<b>42,689,800</b>	<b>(1,000,000)</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	13,012,200	13,012,200		12,489,900	12,489,900		12,787,800	12,787,800	
Operating Expenses	22,600,000	22,600,000		25,161,200	24,161,200	(1,000,000)	27,626,600	26,626,600	(1,000,000)
Capital Outlay	8,566,600	8,566,600		3,275,400	3,275,400		3,275,400	3,275,400	
Construction				400,000	400,000				
<b>TOTAL EXPENDITURES</b>	<b>44,178,800</b>	<b>44,178,800</b>		<b>41,326,500</b>	<b>40,326,500</b>	<b>(1,000,000)</b>	<b>43,689,800</b>	<b>42,689,800</b>	<b>(1,000,000)</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	10,572,800	10,572,800		9,309,200	8,309,200	(1,000,000)	9,446,500	8,446,500	(1,000,000)
Restricted Funds	33,206,000	33,206,000		30,617,300	30,617,300		31,843,300	31,843,300	
Road Fund	400,000	400,000		400,000	400,000		400,000	400,000	
<b>Regular Total Funds</b>	<b>44,178,800</b>	<b>44,178,800</b>		<b>40,326,500</b>	<b>39,326,500</b>	<b>(1,000,000)</b>	<b>41,689,800</b>	<b>40,689,800</b>	<b>(1,000,000)</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>44,178,800</b>	<b>44,178,800</b>		<b>40,326,500</b>	<b>39,326,500</b>	<b>(1,000,000)</b>	<b>41,689,800</b>	<b>40,689,800</b>	<b>(1,000,000)</b>
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				1,000,000	1,000,000		2,000,000	2,000,000	
<b>TOTAL ADDITIONAL</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB General Administration Growth Request</b>									
ABR75000001 Provides funds for vehicle maintenance.									
Restricted Funds				1,000,000	1,000,000		2,000,000	2,000,000	
<b>Project Total</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	
<b>TOTAL ADDITIONAL</b>				<b>1,000,000</b>	<b>1,000,000</b>		<b>2,000,000</b>	<b>2,000,000</b>	

## TRANSFERS TO THE GENERAL FUND

## General Administration

## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

**G - Finance and Administration Cabinet****Operating Budget****General Administration**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
Fleet Management Fund				4,272,400	4,272,400		1,500,000	1,500,000	
<b>TOTAL</b>				<b>4,272,400</b>	<b>4,272,400</b>		<b>1,500,000</b>	<b>1,500,000</b>	



**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:08 pm

**GENERAL ADMINISTRATION**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from General Administration, Restricted Funds of \$4,272,400 in fiscal year 2008-2009 and \$1,500,000 in fiscal year 2009-2010.

**HOUSE REPORT**

The House concurs with the Branch with the following changes:

The House reduces General Fund support totaling \$1,000,000 in each fiscal year.

The House amends the State/Executive Branch Budget Bill, Part I, Operating Budget, to include the following language provision:

**"Conveyance of Property:** Notwithstanding KRS Chapter 45A, the Secretary of the Finance and Administration Cabinet shall convey to Kenton County, Kentucky any reverter interest it may have in the real estate located at 34 West Fifth Street, Covington, Kentucky."

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## G - Finance and Administration Cabinet

## Operating Budget

## Controller

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
I. APPROPRIATIONS SUMMARY BY FUND SOURCE									
General Fund	10,245,000	10,245,000		9,196,800	9,196,800		9,224,300	9,224,300	
Restricted Funds	5,452,400	5,452,400		7,325,900	7,325,900		7,255,100	7,255,100	
Federal Funds	1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	
Regular Total Funds	16,697,400	16,697,400		17,522,700	17,522,700		17,479,400	17,479,400	
Use of Continuing									
TOTAL FUNDS	16,697,400	16,697,400		17,522,700	17,522,700		17,479,400	17,479,400	
II. EXPENDITURE CATEGORY									
Personnel Costs	7,838,900	7,838,900		7,852,000	7,852,000		7,451,400	7,451,400	
Operating Expenses	7,858,500	7,858,500		8,670,700	8,670,700		9,028,000	9,028,000	
Grants, Loans, Benefits	1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	
TOTAL EXPENDITURES	16,697,400	16,697,400		17,522,700	17,522,700		17,479,400	17,479,400	
III. BASE LEVEL BUDGET BY FUND SOURCE									
General Fund	10,245,000	10,245,000		9,130,800	9,130,800		9,158,300	9,158,300	
Restricted Funds	5,452,400	5,452,400		7,325,900	7,325,900		7,255,100	7,255,100	
Federal Funds	1,000,000	1,000,000		1,000,000	1,000,000		1,000,000	1,000,000	
Regular Total Funds	16,697,400	16,697,400		17,456,700	17,456,700		17,413,400	17,413,400	
Use of Continuing									
TOTAL BASE LEVEL	16,697,400	16,697,400		17,456,700	17,456,700		17,413,400	17,413,400	
IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE									
General Fund				66,000	66,000		66,000	66,000	
TOTAL ADDITIONAL				66,000	66,000		66,000	66,000	
V. ADDITIONAL BUDGET ITEMS									
1 GB	Controllers Office Growth Request								
ABR75800001	Provides funds for 2 full-time vacant positions.								
General Fund				66,000	66,000		66,000	66,000	
Project Total				66,000	66,000		66,000	66,000	
TOTAL ADDITIONAL				66,000	66,000		66,000	66,000	

## TRANSFERS TO THE GENERAL FUND

## Controller

**G - Finance and Administration Cabinet****Operating Budget****Controller**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>									
Rural Development Trust Fund - Investment Income (KRS 248.655)	3,231,200	3,231,200							
Early Childhood Development Trust Fund - Investment Income (KRS 200.151)	252,400	252,400							
Health Care Improvement Trust Fund - Investment Income (KRS 194A.0550)	14,000	14,000							
Expendable Trust Fund				3,000,000	3,000,000				
<b>TOTAL</b>	<b>3,497,600</b>	<b>3,497,600</b>		<b>3,000,000</b>	<b>3,000,000</b>				

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:08 pm

**CONTROLLER**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Social Security Contingent Liability Fund:** Any expenditures that may be required by KRS 61.470 are hereby deemed necessary government expenses and shall be paid first from the General Fund Surplus Account (KRS 48.700), if available, or from any available balance in either the General Government, Judgments budget unit appropriation, or the Budget Reserve Trust Fund Account (KRS 48.705), subject to the conditions and procedures provided in this Act."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes the following transfers from the Office of the Controller in fiscal year 2008, Trust Fund Investment Income from Rural Development, Early Childhood Development, and Health Care Improvement, in the amounts of \$3,231,200, \$252,400, and \$14,000, respectively and includes a transfer from the Expendable Trust Fund of \$3,000,000 in fiscal year 2009.

**HOUSE REPORT**

The House concurs with the Branch.

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**G - Finance and Administration Cabinet****Capital Budget****Controller**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Restricted Funds				1,605,000	1,605,000				
<b>TOTAL CAPITAL</b>				<b>1,605,000</b>	<b>1,605,000</b>				
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Statewide Budget System Upgrade</b>								
PRJ75805000									
Restricted Funds				1,005,000	1,005,000				
<b>Project Total</b>				<b>1,005,000</b>	<b>1,005,000</b>				
<b>2</b>	<b>Investment Management System Upgrade</b>								
PRJ75805001									
Restricted Funds				600,000	600,000				
<b>Project Total</b>				<b>600,000</b>	<b>600,000</b>				
<b>TOTAL CAPITAL</b>				<b>1,605,000</b>	<b>1,605,000</b>				

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## G - Finance and Administration Cabinet

## Operating Budget

## Debt Service

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	6,429,900	6,429,900		15,416,500	15,416,500		15,417,900	15,417,900	
General Fund	234,112,800	234,112,800		412,196,000	412,196,000		405,095,100	405,095,100	
<b>Regular Total Funds</b>	<b>240,542,700</b>	<b>240,542,700</b>		<b>427,612,500</b>	<b>427,612,500</b>		<b>420,513,000</b>	<b>420,513,000</b>	
Use of Continuing	9,017,500	9,017,500							
<b>TOTAL FUNDS</b>	<b>249,560,200</b>	<b>249,560,200</b>		<b>427,612,500</b>	<b>427,612,500</b>		<b>420,513,000</b>	<b>420,513,000</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Debt Service	249,560,200	249,560,200		427,612,500	427,612,500		420,513,000	420,513,000	
<b>TOTAL EXPENDITURES</b>	<b>249,560,200</b>	<b>249,560,200</b>		<b>427,612,500</b>	<b>427,612,500</b>		<b>420,513,000</b>	<b>420,513,000</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund (Tobacco)	6,429,900	6,429,900		15,416,500	15,416,500		15,417,900	15,417,900	
General Fund	234,112,800	234,112,800		412,196,000	412,196,000		405,095,100	405,095,100	
<b>Regular Total Funds</b>	<b>240,542,700</b>	<b>240,542,700</b>		<b>427,612,500</b>	<b>427,612,500</b>		<b>420,513,000</b>	<b>420,513,000</b>	
Use of Continuing	9,017,500	9,017,500							
<b>TOTAL BASE LEVEL</b>	<b>249,560,200</b>	<b>249,560,200</b>		<b>427,612,500</b>	<b>427,612,500</b>		<b>420,513,000</b>	<b>420,513,000</b>	
<b>TRANSFERS TO THE GENERAL FUND</b>									
<b>Debt Service</b>									
Unexpended Debt Service	16,257,500	16,257,500							
Tobacco Settlement - Phase I									
(KRS 248.655)									
<b>TOTAL</b>	<b>16,257,500</b>	<b>16,257,500</b>							

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:08 pm

**DEBT SERVICE**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions as follows:

**"New Debt Service:** Included in the above General Fund appropriation is \$1,327,000 in fiscal year 2009-2010 for new debt service to support new bonds as set forth in Part II, Capital Projects Budget, of this Act for budget units within the Finance and Administration Cabinet."

**"Tobacco Settlement Funds - Debt Service:** To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund."

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from Debt Service, Tobacco Settlement Funds of \$16,257,500 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, provides \$15,416,500 in fiscal year 2008-2009 and \$15,417,900 in fiscal year 2009-2010 for debt service on previously authorized Bond Funded projects.

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes a language provision as follows:

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:08 pm

**DEBT SERVICE**

**"Debt Service:** To the extent that revenues sufficient to support the required debt service appropriations are received from the Tobacco Settlement Program, those revenues shall be made available from those accounts to the appropriate account of the General Fund. All necessary debt service amounts shall be appropriated from the General Fund and shall be fully paid regardless of whether there is a sufficient amount available to be transferred from tobacco-supported funding program accounts to other accounts of the General Fund."

**HOUSE REPORT**

The House concurs with the Branch.

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## G - Finance and Administration Cabinet

## Operating Budget

## Facilities and Support Services

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	7,461,600	7,461,600		6,193,400	6,193,400		6,294,600	6,294,600	
Restricted Funds	30,960,400	30,960,400		35,205,700	35,205,700		35,535,400	35,535,400	
<b>Regular Total Funds</b>	<b>38,422,000</b>	<b>38,422,000</b>		<b>41,399,100</b>	<b>41,399,100</b>		<b>41,830,000</b>	<b>41,830,000</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>38,422,000</b>	<b>38,422,000</b>		<b>41,399,100</b>	<b>41,399,100</b>		<b>41,830,000</b>	<b>41,830,000</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	21,444,000	21,444,000		21,901,500	21,901,500		22,406,900	22,406,900	
Operating Expenses	16,208,300	16,208,300		17,597,600	17,597,600		17,588,900	17,588,900	
Capital Outlay	162,000	162,000							
Construction	607,700	607,700		1,900,000	1,900,000		1,834,200	1,834,200	
<b>TOTAL EXPENDITURES</b>	<b>38,422,000</b>	<b>38,422,000</b>		<b>41,399,100</b>	<b>41,399,100</b>		<b>41,830,000</b>	<b>41,830,000</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	7,461,600	7,461,600		6,193,400	6,193,400		6,294,600	6,294,600	
Restricted Funds	30,960,400	30,960,400		33,592,200	33,592,200		33,968,600	33,968,600	
<b>Regular Total Funds</b>	<b>38,422,000</b>	<b>38,422,000</b>		<b>39,785,600</b>	<b>39,785,600</b>		<b>40,263,200</b>	<b>40,263,200</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>38,422,000</b>	<b>38,422,000</b>		<b>39,785,600</b>	<b>39,785,600</b>		<b>40,263,200</b>	<b>40,263,200</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
Restricted Funds				1,613,500	1,613,500		1,566,800	1,566,800	
<b>TOTAL ADDITIONAL</b>				<b>1,613,500</b>	<b>1,613,500</b>		<b>1,566,800</b>	<b>1,566,800</b>	
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 GB Facilities and Support Services Growth Request</b>									
ABR78500001 Provides funds to support 4 filled positions and capital construction projects.									
Restricted Funds				1,613,500	1,613,500		1,566,800	1,566,800	
<b>Project Total</b>				<b>1,613,500</b>	<b>1,613,500</b>		<b>1,566,800</b>	<b>1,566,800</b>	
<b>TOTAL ADDITIONAL</b>				<b>1,613,500</b>	<b>1,613,500</b>		<b>1,566,800</b>	<b>1,566,800</b>	

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:09 pm

**FACILITIES AND SUPPORT SERVICES**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a transfer from the Capital Construction Investment Income Account of \$30,083,400 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part V, Funds Transfer, includes a language provision as follows:

"Capital appropriations in the amount of \$20,000,000 from bond funds in Part II, Capital Projects Budget, of this Act will be used to partially replace this transfer of funds to the General Fund."

**HOUSE REPORT**

The House concurs with the Branch.

**G - Finance and Administration Cabinet****Capital Budget****Facilities and Support Services**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Bond Funds				8,000,000	8,000,000				
Capital Construction Surplus				3,000,000	3,000,000				
<b>TOTAL CAPITAL</b>				<b>11,000,000</b>	<b>11,000,000</b>				
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Maintenance Pool - 2008-2010</b>								
PRJ78501723									
Bond Funds				8,000,000	8,000,000				
<b>Project Total</b>				<b>8,000,000</b>	<b>8,000,000</b>				
<b>2</b>	<b>Emergency Repair, Maintenance, and Replacement Account</b>								
PRJ78501717									
Capital Construction Surplus				3,000,000	3,000,000				
<b>Project Total</b>				<b>3,000,000</b>	<b>3,000,000</b>				
<b>TOTAL CAPITAL</b>				<b>11,000,000</b>	<b>11,000,000</b>				

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## G - Finance and Administration Cabinet

## Operating Budget

## County Costs

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	20,481,500	20,481,500		17,581,500	17,581,500		17,581,500	17,581,500	
Restricted Funds	1,950,000	1,950,000		1,932,100	1,932,100		1,932,000	1,932,000	
<b>Regular Total Funds</b>	<b>22,431,500</b>	<b>22,431,500</b>		<b>19,513,600</b>	<b>19,513,600</b>		<b>19,513,500</b>	<b>19,513,500</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>22,431,500</b>	<b>22,431,500</b>		<b>19,513,600</b>	<b>19,513,600</b>		<b>19,513,500</b>	<b>19,513,500</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	1,735,000	1,735,000		1,717,100	1,717,100		1,717,000	1,717,000	
Operating Expenses	16,371,500	16,371,500		16,371,500	16,371,500		16,371,500	16,371,500	
Grants, Loans, Benefits	4,325,000	4,325,000		1,425,000	1,425,000		1,425,000	1,425,000	
<b>TOTAL EXPENDITURES</b>	<b>22,431,500</b>	<b>22,431,500</b>		<b>19,513,600</b>	<b>19,513,600</b>		<b>19,513,500</b>	<b>19,513,500</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	20,481,500	20,481,500		17,581,500	17,581,500		17,581,500	17,581,500	
Restricted Funds	1,950,000	1,950,000		1,932,100	1,932,100		1,932,000	1,932,000	
<b>Regular Total Funds</b>	<b>22,431,500</b>	<b>22,431,500</b>		<b>19,513,600</b>	<b>19,513,600</b>		<b>19,513,500</b>	<b>19,513,500</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>22,431,500</b>	<b>22,431,500</b>		<b>19,513,600</b>	<b>19,513,600</b>		<b>19,513,500</b>	<b>19,513,500</b>	

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
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**COUNTY COSTS**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"County Costs:** Funds required to pay county costs are appropriated and additional funds may be allotted from the General Fund Surplus Account (KRS 48.700) or the Budget Reserve Trust Fund Account (KRS 48.705) by the Secretary of the Finance and Administration Cabinet, subject to the conditions and procedures provided in this Act."

**HOUSE REPORT**

The House concurs with the Branch.

## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## G - Finance and Administration Cabinet

## Operating Budget

## Commonwealth Office of Technology

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
Restricted Funds	67,817,400	67,817,400		67,765,600	67,765,600		68,682,100	68,682,100	
Federal Funds	775,000	775,000		400,000	400,000		400,000	400,000	
<b>Regular Total Funds</b>	<b>68,592,400</b>	<b>68,592,400</b>		<b>68,165,600</b>	<b>68,165,600</b>		<b>69,082,100</b>	<b>69,082,100</b>	
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>68,592,400</b>	<b>68,592,400</b>		<b>68,165,600</b>	<b>68,165,600</b>		<b>69,082,100</b>	<b>69,082,100</b>	
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	40,150,900	40,150,900		40,467,900	40,467,900		41,374,700	41,374,700	
Operating Expenses	21,890,000	21,890,000		22,112,500	22,112,500		22,122,200	22,122,200	
Capital Outlay	1,185,200	1,185,200		1,185,200	1,185,200		1,185,200	1,185,200	
Construction	5,366,300	5,366,300		4,400,000	4,400,000		4,400,000	4,400,000	
<b>TOTAL EXPENDITURES</b>	<b>68,592,400</b>	<b>68,592,400</b>		<b>68,165,600</b>	<b>68,165,600</b>		<b>69,082,100</b>	<b>69,082,100</b>	
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
Restricted Funds	67,817,400	67,817,400		67,765,600	67,765,600		68,682,100	68,682,100	
Federal Funds	775,000	775,000		400,000	400,000		400,000	400,000	
<b>Regular Total Funds</b>	<b>68,592,400</b>	<b>68,592,400</b>		<b>68,165,600</b>	<b>68,165,600</b>		<b>69,082,100</b>	<b>69,082,100</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>68,592,400</b>	<b>68,592,400</b>		<b>68,165,600</b>	<b>68,165,600</b>		<b>69,082,100</b>	<b>69,082,100</b>	

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

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**COMMONWEALTH OFFICE OF TECHNOLOGY**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part II, Capital Projects Budget, includes a language provision as follows:

**"Transfer of Restricted Funds from Operating Budget:** For the major equipment purchases displayed in this section funded from Restricted Funds, it is anticipated that these funds shall be transferred from the Operating Budget as funds are available and needed."

**HOUSE REPORT**

The House concurs with the Branch.

**G - Finance and Administration Cabinet****Capital Budget****Commonwealth Office of Technology**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>								
Restricted Funds			4,400,000	4,400,000		4,400,000	4,400,000	
Bond Funds			18,000,000	18,000,000				
<b>TOTAL CAPITAL</b>			<b>22,400,000</b>	<b>22,400,000</b>		<b>4,400,000</b>	<b>4,400,000</b>	
<b>II. CAPITAL PROJECTS</b>								
<b>1</b>	<b>Public Safety Commission Infrastructure - KEWS - Additional</b>							
PRJ07901603								
Bond Funds			18,000,000	18,000,000				
<b>Project Total</b>			<b>18,000,000</b>	<b>18,000,000</b>				
<b>2</b>	<b>Enterprise Infrastructure - 2008-2010</b>							
PRJ07901602								
Restricted Funds			2,400,000	2,400,000		2,400,000	2,400,000	
<b>Project Total</b>			<b>2,400,000</b>	<b>2,400,000</b>		<b>2,400,000</b>	<b>2,400,000</b>	
<b>3</b>	<b>Enterprise Data Integration - 2008-2010</b>							
PRJ07901605								
Restricted Funds			1,000,000	1,000,000		1,000,000	1,000,000	
<b>Project Total</b>			<b>1,000,000</b>	<b>1,000,000</b>		<b>1,000,000</b>	<b>1,000,000</b>	
<b>4</b>	<b>Enterprise Application Integration - 2008-2010</b>							
PRJ07901606								
Restricted Funds			500,000	500,000		500,000	500,000	
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	
<b>5</b>	<b>Enterprise Security and Identity Management - 2008-2010</b>							
PRJ07901604								
Restricted Funds			500,000	500,000		500,000	500,000	
<b>Project Total</b>			<b>500,000</b>	<b>500,000</b>		<b>500,000</b>	<b>500,000</b>	
<b>6</b>	<b>Franklin County - Lease - 100 Fair Oaks</b>							
PRJ07905000								
General Fund								
<b>Project Total</b>								
<b>TOTAL CAPITAL</b>			<b>22,400,000</b>	<b>22,400,000</b>		<b>4,400,000</b>	<b>4,400,000</b>	

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## G - Finance and Administration Cabinet

## Operating Budget

## Revenue

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund (Tobacco)	175,000	175,000		275,000	275,000		275,000	275,000	
General Fund	73,943,200	73,943,200		68,397,300	69,397,300	1,000,000	70,363,400	71,363,400	1,000,000
Restricted Funds	6,046,800	6,046,800		7,216,300	7,216,300		7,201,700	7,201,700	
Road Fund	2,000,000	2,000,000		2,325,000	2,325,000		2,325,000	2,325,000	
<b>Regular Total Funds</b>	<b>82,165,000</b>	<b>82,165,000</b>		<b>78,213,600</b>	<b>79,213,600</b>	<b>1,000,000</b>	<b>80,165,100</b>	<b>81,165,100</b>	<b>1,000,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>82,165,000</b>	<b>82,165,000</b>		<b>78,213,600</b>	<b>79,213,600</b>	<b>1,000,000</b>	<b>80,165,100</b>	<b>81,165,100</b>	<b>1,000,000</b>

**II. EXPENDITURE CATEGORY**

Personnel Costs	51,504,300	51,504,300		47,134,400	48,134,400	1,000,000	48,800,100	49,800,100	1,000,000
Operating Expenses	30,660,700	30,660,700		31,079,200	31,079,200		31,365,000	31,365,000	
<b>TOTAL EXPENDITURES</b>	<b>82,165,000</b>	<b>82,165,000</b>		<b>78,213,600</b>	<b>79,213,600</b>	<b>1,000,000</b>	<b>80,165,100</b>	<b>81,165,100</b>	<b>1,000,000</b>

**III. BASE LEVEL BUDGET BY FUND SOURCE**

General Fund (Tobacco)	175,000	175,000		275,000	275,000		275,000	275,000	
General Fund	73,943,200	73,943,200		62,830,900	63,830,900	1,000,000	64,394,400	65,394,400	1,000,000
Restricted Funds	6,046,800	6,046,800		7,216,300	7,216,300		7,201,700	7,201,700	
Road Fund	2,000,000	2,000,000		2,325,000	2,325,000		2,325,000	2,325,000	
<b>Regular Total Funds</b>	<b>82,165,000</b>	<b>82,165,000</b>		<b>72,647,200</b>	<b>73,647,200</b>	<b>1,000,000</b>	<b>74,196,100</b>	<b>75,196,100</b>	<b>1,000,000</b>
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>82,165,000</b>	<b>82,165,000</b>		<b>72,647,200</b>	<b>73,647,200</b>	<b>1,000,000</b>	<b>74,196,100</b>	<b>75,196,100</b>	<b>1,000,000</b>

**IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE**

General Fund				5,566,400	5,566,400		5,969,000	5,969,000	
<b>TOTAL ADDITIONAL</b>				<b>5,566,400</b>	<b>5,566,400</b>		<b>5,969,000</b>	<b>5,969,000</b>	

**V. ADDITIONAL BUDGET ITEMS****1 GB Corporate Coding/IT Processing/Withholding Processing Project**

ABR130000006 Provides funds to continue data processing and imaging services.

General Fund				1,424,900	1,424,900		1,527,600	1,527,600	
<b>Project Total</b>				<b>1,424,900</b>	<b>1,424,900</b>		<b>1,527,600</b>	<b>1,527,600</b>	

**2 GB Electronic Data Match and Levy Services**

ABR130000007 Provides funds for implementing an electronic levy process and insuring that levies are sent only to institutions where the debtor has an account.

General Fund				1,141,500	1,141,500		1,441,400	1,441,400	
<b>Project Total</b>				<b>1,141,500</b>	<b>1,141,500</b>		<b>1,441,400</b>	<b>1,441,400</b>	

**G - Finance and Administration Cabinet****Operating Budget**

<b>Revenue</b>									
<b>Fiscal Year 2007-2008</b>			<b>Fiscal Year 2008-2009</b>			<b>Fiscal Year 2009-2010</b>			
<b>Branch Budget</b>	<b>House Budget</b>	<b>Difference</b>	<b>Branch Budget</b>	<b>House Budget</b>	<b>Difference</b>	<b>Branch Budget</b>	<b>House Budget</b>	<b>Difference</b>	
<b>3 GB</b>	<b>Comprehensive Tax System Maintenance and Operating Costs</b>								
ABR130000004	Provides funds for licensing, Commonwealth Office of Technology maintenance charges, and miscellaneous operating costs to support the Comprehensive Tax System.								
General Fund			3,000,000	3,000,000		3,000,000	3,000,000		
<b>Project Total</b>			<b>3,000,000</b>	<b>3,000,000</b>		<b>3,000,000</b>	<b>3,000,000</b>		
<b>TOTAL ADDITIONAL</b>			<b>5,566,400</b>	<b>5,566,400</b>		<b>5,969,000</b>	<b>5,969,000</b>		



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BUDGET MODIFICATION REPORT**

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**REVENUE**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part IV, State Salary/Compensation and Employment Policy, addresses salary increments, retirement, health insurance, and personnel complement.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Insurance Surcharge Rate:** Pursuant to KRS 136.392, the insurance surcharge rate shall be calculated at a rate to provide sufficient funds in the 2008-2010 fiscal biennium for the Firefighters Foundation Program Fund and the Kentucky Law Enforcement Foundation Program Fund. The calculation of sufficient funds for the above-named programs shall include any Restricted Funds carried forward from fiscal years 2007-2008 and 2008-2009 as provided by the General Assembly in this Act."

**"Road Fund Compliance and Motor Vehicle Property Tax Programs:** The above Road Fund appropriation in each fiscal year represents the cost of the Road Fund Compliance and Motor Vehicle Property Tax Programs within the Department of Revenue and is to be used exclusively for that purpose."

**"Operations of Revenue:** Notwithstanding KRS 132.672, 136.652, 160.6154, and 365.390(2), funds may be expended in support of the operations of the Department of Revenue."

The State/Executive Branch Budget Bill, Part X, Phase I Tobacco Settlement, includes a language provision as follows:

**"State Enforcement:** Notwithstanding KRS 248.654, a total of \$275,000 of the MSA payments received each fiscal year of the 2008-2010 biennium is appropriated to the Finance and Administration Cabinet, Department of Revenue for the state's enforcement of noncompliant nonparticipating manufacturers."

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

3/13/08 12:09 pm

**REVENUE**

**HOUSE REPORT**

The House concurs with the Branch with the following change:

The House increases General Fund support totaling \$1,000,000 in each fiscal year to partially restore baseline funding for personnel expenses.

## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

## G - Finance and Administration Cabinet

## Operating Budget

## Property Valuation Administrators

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. APPROPRIATIONS SUMMARY BY FUND SOURCE</b>									
General Fund	33,170,900	33,170,900		32,345,100	35,345,100	3,000,000	33,554,200	35,354,200	1,800,000
Restricted Funds	5,371,400	5,371,400		3,500,000	3,500,000		3,500,000	3,500,000	
<b>Regular Total Funds</b>	<b>38,542,300</b>	<b>38,542,300</b>		<b>35,845,100</b>	<b>38,845,100</b>	<b>3,000,000</b>	<b>37,054,200</b>	<b>38,854,200</b>	<b>1,800,000</b>
Use of Continuing									
<b>TOTAL FUNDS</b>	<b>38,542,300</b>	<b>38,542,300</b>		<b>35,845,100</b>	<b>38,845,100</b>	<b>3,000,000</b>	<b>37,054,200</b>	<b>38,854,200</b>	<b>1,800,000</b>
<b>II. EXPENDITURE CATEGORY</b>									
Personnel Costs	38,110,300	38,110,300		35,413,100	38,413,100	3,000,000	36,622,200	38,422,200	1,800,000
Operating Expenses	432,000	432,000		432,000	432,000		432,000	432,000	
<b>TOTAL EXPENDITURES</b>	<b>38,542,300</b>	<b>38,542,300</b>		<b>35,845,100</b>	<b>38,845,100</b>	<b>3,000,000</b>	<b>37,054,200</b>	<b>38,854,200</b>	<b>1,800,000</b>
<b>III. BASE LEVEL BUDGET BY FUND SOURCE</b>									
General Fund	33,170,900	33,170,900		32,345,100	32,345,100		33,554,200	33,554,200	
Restricted Funds	5,371,400	5,371,400		3,500,000	3,500,000		3,500,000	3,500,000	
<b>Regular Total Funds</b>	<b>38,542,300</b>	<b>38,542,300</b>		<b>35,845,100</b>	<b>35,845,100</b>		<b>37,054,200</b>	<b>37,054,200</b>	
Use of Continuing									
<b>TOTAL BASE LEVEL</b>	<b>38,542,300</b>	<b>38,542,300</b>		<b>35,845,100</b>	<b>35,845,100</b>		<b>37,054,200</b>	<b>37,054,200</b>	
<b>IV. ADDITIONAL BUDGET RECAP BY FUND SOURCE</b>									
General Fund					3,000,000	3,000,000		1,800,000	1,800,000
<b>TOTAL ADDITIONAL</b>					<b>3,000,000</b>	<b>3,000,000</b>		<b>1,800,000</b>	<b>1,800,000</b>
<b>V. ADDITIONAL BUDGET ITEMS</b>									
<b>1 EXPAN Property Valuation Administrators</b>									
ABRPVA00003 Provides additional funds for personnel expenses.									
General Fund					3,000,000	3,000,000		1,800,000	1,800,000
<b>Project Total</b>					<b>3,000,000</b>	<b>3,000,000</b>		<b>1,800,000</b>	<b>1,800,000</b>
<b>TOTAL ADDITIONAL</b>					<b>3,000,000</b>	<b>3,000,000</b>		<b>1,800,000</b>	<b>1,800,000</b>

**HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY  
BUDGET MODIFICATION REPORT**

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**PROPERTY VALUATION ADMINISTRATORS**

**BRANCH BUDGET**

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon reduced fiscal year 2007-2008 funding levels as revised by the General Fund Budget Reduction Order 08-01. This Order reduced General Fund appropriations by \$65,262,416 and Restricted Funds appropriations by \$8,873,600 in fiscal year 2007-2008. The Order also increased resources to the General Fund through additional fund transfers of \$42,324,600 in fiscal year 2007-2008.

The State/Executive Branch Budget Bill continues services and statutory programs in the 2008-2010 fiscal biennium based upon mandatory General Fund lapses of \$174,143,584 in fiscal year 2007-2008, \$2,500,000 in fiscal year 2008-2009, and \$2,250,000 in fiscal year 2009-2010.

The State/Executive Branch Budget Bill, Part I, Operating Budget, includes language provisions that direct:

**"Management of Expenditures:** Notwithstanding KRS 132.590 and 132.597, the property valuation administrators are authorized to take necessary actions to manage expenditures within the appropriated amounts contained in this Act."

**"Real Property Physical Inspections:** Notwithstanding KRS 132.690, each parcel of taxable real property may be physically examined no less than once every five years, subject to the availability of funds."

**HOUSE REPORT**

The House concurs with the Branch with the following change:

The House provides additional General Fund support totaling \$3,000,000 in fiscal year 2008-2009 and \$1,800,000 in fiscal year 2009-2010 for personnel expenses.

The House deletes the Part I language provision relating to Real Property Physical Inspections.

**G - Finance and Administration Cabinet****Capital Budget****Kentucky Lottery Corporation**

	Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>I. CAPITAL PROJECT RECAP BY FUND SOURCE</b>									
Other Funds				19,600,000	19,600,000				
<b>TOTAL CAPITAL</b>				<b>19,600,000</b>	<b>19,600,000</b>				
<b>II. CAPITAL PROJECTS</b>									
<b>1</b>	<b>Potential Buyout of On-line Gaming System</b>								
PRJ0811708									
Other Funds				10,000,000	10,000,000				
<b>Project Total</b>				<b>10,000,000</b>	<b>10,000,000</b>				
<b>2</b>	<b>Contingency on Property Adjacent to New Headquarters</b>								
PRJ0811384									
Other Funds				4,250,000	4,250,000				
<b>Project Total</b>				<b>4,250,000</b>	<b>4,250,000</b>				
<b>3</b>	<b>Data Processing, Telecommunications, and Related Equipment</b>								
PRJ0811385									
Other Funds				3,000,000	3,000,000				
<b>Project Total</b>				<b>3,000,000</b>	<b>3,000,000</b>				
<b>4</b>	<b>Instant Ticket Vending Machines</b>								
PRJ0811709									
Other Funds				2,000,000	2,000,000				
<b>Project Total</b>				<b>2,000,000</b>	<b>2,000,000</b>				
<b>5</b>	<b>Network Storage and Associated Infrastructures</b>								
PRJ0811383									
Other Funds				350,000	350,000				
<b>Project Total</b>				<b>350,000</b>	<b>350,000</b>				
<b>TOTAL CAPITAL</b>				<b>19,600,000</b>	<b>19,600,000</b>				

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## HOUSE BUDGET REPORT - 2008 REGULAR SESSION OF THE GENERAL ASSEMBLY

**G - Finance and Administration Cabinet****Operating Budget****Finance and Administration**

Fiscal Year 2007-2008			Fiscal Year 2008-2009			Fiscal Year 2009-2010		
Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference	Branch Budget	House Budget	Difference
<b>TRANSFERS TO THE GENERAL FUND</b>								
<b>Finance and Administration</b>								
Capital Construction						30,083,400	30,083,400	
Investment Income								
Capital Appropriations in the amount of \$20,000,000 from bond funds in Part II, Capital Projects Budget, of this Act will be used to partially replace this transfer of funds to the General Fund.								
<b>TOTAL</b>						<b>30,083,400</b>	<b>30,083,400</b>	